

67<sup>th</sup>

**Annual  
Meeting**

# 67th Annual Meeting ACU of Texas

## AGENDA

1. Welcome
2. Assertion of a Quorum
3. Approval of Minutes from 2015 Annual Meeting
4. Report of the Board of Directors & President
5. Audit Report
6. Financial Condition
7. Unfinished Business
8. New Business
9. Nominating Committee Report & Election of Directors
10. Adjournment

## 66th Annual Meeting Minutes

February 12, 2015

Chairman Ed Sebesta called the 66nd Annual Membership Meeting of Associated Credit Union of Texas to order at 6:01 PM on Thursday, February 12, 2015. Chairman Sebesta welcomed the members and noted that the credit union wanted to have our past Board Chairman, Mr. Phil Johnson, lead the meeting.

Mr. Johnson thanked Chairman Sebesta, the Board and Members and then asked if a quorum was present and Treasurer Tim Harper confirmed that there was a quorum present.

Mr. Johnson introduced the ACUTX Board Members: Vice-Chairman of the Board – Bill Carraway, Treasurer of the Board – Tim Harper., Secretary of the Board – Kyle Dickson, Board Director – Bruce Terry, Jr., Board Director – Mark Kline, Associate Board Member – Mark Rodriguez, and Associate Board Member – Charles Gooden (not present).

Next item of business was the minutes of last year’s annual meeting. Mr. Johnson called upon Secretary Kyle Dickson. He reported that members were furnished with a copy of last year’s Annual Meeting minutes as they came in. Mr. Johnson asked for any comments or questions concerning last year’s minutes as printed. There were none. The minutes were approved as printed with a motion made by Bruce Terry, seconded by Tim Harper. A vote was then taken and none were opposed. The minutes were approved as presented.

Mr. Johnson then advised the membership that the Report of the Board of Directors and President as well as the Audit Committee Report were published in the program. Mr. Johnson requested that all attendees review the documents.

Mr. Johnson called for any unfinished business. There was no unfinished business.

Mr. Johnson called for any new business. There was no new business.

Moving on to the Election of Officers, Mr. Johnson reported that there were four positions on the board to be filled. He called upon Board Director Royce Hively, Chairman of the Nominating Committee, to give his report. The nominees were given as follows: Kyle Dickson (3-year term); Tim Harper (3-year term); Bruce Terry (3-year term); and Mark Kline (1-year term). Nominating Committee Chairman, Royce Hively concluded his report. Mr. Johnson accepted the motion made by Don Whitley, seconded by Jay Coppock that all four candidates are to be elected by acclamation. Motion carried.

Mr. Johnson thanked everyone for attending and the meeting was adjourned on a motion by Bruce Terry, and a second by Don Whitley.

## Report of the Board of Directors and President

Since 1949, ACU of Texas has continued to provide excellent member service and continually added products and services that enhanced the lives of our membership and surrounding communities.

In 2015, loans grew 4.45% from \$210,921,219 to \$220,310,347, and our assets grew nearly 9.24% to \$339,402,888. Deposits increased over 10%. Our CUFG Insurance program, including our rebranded ACUIS Insurance Services, provided record policies to Members and now stands at nearly \$17.5 million in our book of business. CUFG Keystone Realty Group, which opened doors for business on June 1, 2013, had over 150 real estate closings in 2015 along with 30 real estate listings. Our non-profit division of CUFG is Keystone Community Development Corporation. In 2015, we offered 12 Homebuyer Education classes, in English and Spanish, and provided down payment assistance grants for multiple members and provided multiple grant opportunities for homebuyers as well as veterans in our communities.

We continued our tradition of new product offerings for our Membership and in 2015 we launched our combined Real Rewards program for our credit card and debit card holders. Members earn points when they use either their credit card or debit card. These points can be converted to cash, travel and entertainment, or every day household items. In conjunction with Real Rewards, we converted all credit cards and debit cards to include an EMV chip. EMV (Europay, Mastercard, Visa) is micro-chip technology that provides increased security capabilities as well as enhanced fraud protection for our members.

As we continue to grow, we ask for continued active participation, and in return, you can be sure you will see progressive, quality

financial services and an unwavering dedication to you, our member owners.

## Audit Report

The standard examination of ACU of Texas was completed by the Texas Credit Union Department and the National Credit Union Administration from July 13, 2015 to July 24, 2015. All aspects of the credit union’s operations, including the safety and soundness, were covered in the examination. The examination report indicated that ACU of Texas continues to operate in a safe and sound manner.

Additionally, we retained the independent CPA firm of McGladrey LLP to perform an annual audit to ensure compliance in all areas of the credit union. This annual audit took place for one week commencing on February 1, 2015 and covered the agreed upon procedures for the time period of January 1, 2014 to December 31, 2014.

## Financial Condition (as of 12-31-2015)

Assets	
Loans	\$220,310,347
Allowance for Loan Loss	\$(4,065,299)
Cash/Investments	\$87,062,162
Accrued Income	\$351,406
Other Assets	\$35,744,272
<b>Total</b>	<b>\$339,402,888</b>

Liabilities & Equity	
Accounts Payable	\$11,725,526
Members Shares	\$292,981,727
Regular Reserves	\$4,473,410
Unrealized Gain	\$41,284
Undivided Earnings	\$30,180,941
<b>Total</b>	<b>\$339,402,888</b>

Income	
Interest on Loans	\$14,776,592
Income from Investments	\$1,495,896
Other Income	\$8,722,096
<b>Total</b>	<b>\$24,994,584</b>

Expenses	
Total Expenses	\$20,174,380
Disposition of Assets	\$(44,017)
Total Dividends	\$1,221,679
<b>Total</b>	<b>\$21,352,042</b>

## Election of Directors

On October 26, 2015, the Nominating Committee submitted Mark Kline, Mark Rodriguez and Ed Sebesta as nominations for re-election as Board of Directors.

All board members have completed the Director Application and Agreement to Serve and have indicated a willingness to continue serving on the Board of Directors.

The Nominating Committee, after reviewing the applications and qualifications of Mark Kline, Mark Rodriguez and Ed Sebesta, hereby nominate each to succeed themselves for an additional three -year term.

## Board of Directors & Term Expirations

Board of Directors	
Name, Position	Term Ends*
Ed Sebesta, Chairman	2016
Bill Carraway, Vice Chairman	2017
Kyle Dickson, Treasurer	2018
Mark Kline, Secretary	2016
Bruce Terry, Jr., Board Member	2018
Royce Hively, Board Member	2017
Mark Rodriguez, Board Member	2016
John Blair, Associate Board Member	
Joel Mueller, Associate Board Member	
Lisa Gerky, Associate Board Member	

*\*Terms expire on the annual meeting of the year given*

Officers	
Name	Position
Jack Click	President, CEO
Clay Franks	Chief Financial Officer
Charis Pollard	Chief Human Resource Officer
David DeAnda	Chief Legal Officer
Jay Coppock	Chief Operating Officer
Corey Lecoq	Sr. VP Operations
Cindy Soto	VP Accounting
Derrick Brown	VP Business Development
Brian Zornes	VP Collections
Russ Gillaspia	VP Facilities
Jennifer Frederick	VP Information Technology
Keith Tillingier	VP Lending
Tony Sims	VP Marketing
April Thomson	VP Member Access
Kevin Anderson	VP Mortgage
Megan Black	VP Organizational Development
April Howe	VP Operations
Debbie Keith	VP Operations
Eilene Markus	VP Support Services